



# City of Loma Linda Official Report

Robert Ziprick, Chairman  
Stan Brauer, Vice Chairman  
Floyd Petersen, Board Member  
Robert Christman, Board Member  
Karen Gaio, Board Member

CRA AGENDA: February 24, 2004  
TO: Agency Board Members  
VIA: Dennis R. Halloway, Executive Director  
FROM: Pamela Byrnes-O'Camb, Secretary  
SUBJECT: Minutes of January 27 and February 10, 2004

## **RECOMMENDATION**

It is recommended that the Agency Board approve the Minutes of January 27 and February 10, 2004.

City of Loma Linda

Redevelopment Agency Minutes

Regular Meeting of January 27, 2004

A regular meeting of the Loma Linda Redevelopment Agency was called to order by Chairman Ziprick at 7:22 p.m., Tuesday, January 27, 2004, in the City Council Chamber, 25541 Barton Road, Loma Linda, California.

Councilmen Present:

Chairman Robert Ziprick  
Robert H. Christman  
Floyd Petersen  
Karen Hansberger

Councilman Absent:

Vice Chairman Stan Brauer

Others Present:

Executive Director Dennis Halloway  
General Counsel Richard E. Holdaway  
Special Counsel Allison Burns

No items were added or deleted.

### **Oral Reports/Public Participation**

Chairman Ziprick noted that if anyone was present to address the Board about the agenda item pertaining to the proposed Resolution of Necessity for the acquisition of the Knable property, all interested persons with a direct interest in the subject property, such as owners, tenants, business owners and their agents, attorneys or representatives, would be provided an opportunity to give oral or written testimony during the hearing listed on the agenda. Any other member of the public without a direct interest, not an owner, tenant, or business owner of the specific property, was invited to speak to the Board on this item at this time.

No public participation comments were offered.

### **Scheduled Items**

CRA-2004-003 – Public Hearing – CRA Bill #R-2004-01 – Resolution of Necessity for acquisition of real property within the North Central Neighborhood of the Merged Project Area – 10819 Poplar Street – APN 0283-141-64 on the east side of Poplar Street between San Timoteo Creek and Van Leuven Street and declaring the public necessity therefore

The public hearing was opened. Chairman Ziprick stated that pursuant to California Eminent Domain Laws, proper legal notice was provided to all owners of the subject property proposed to be acquired by eminent domain based on the names and addresses listed on the last equalized county assessment roll.

He then stated that this was the time and place for all owners, tenants, and others with a direct interest in the property proposed to be acquired and their agents, attorneys or representatives to provide oral and/or written testimony on the proposed adoption of the Resolution of Necessity, which if approved, would authorize the Agency to proceed with acquisition of the property by eminent domain. He also noted that all other persons, such as the general public, were provided the opportunity to speak on the item at the beginning of the meeting during Oral Reports/Public Participation, pursuant to the Brown Act. The public hearing was a separate hearing for interested persons only and no other persons would be permitted to speak.

Chairman Ziprick then introduced Allison Burns of Stradling Yocca Carlson & Rauth, Agency Special Counsel. Ms. Burns stated that the purpose of the hearing was to give each person whose property was to be acquired by eminent domain and whose name and address appeared on the last equalized county assessment roll an opportunity to appear and be heard concerning:

- 1) Whether the public interest and necessity require the project;
- 2) Whether the project is planned and located in the manner that would be most compatible with the greatest public good and the least private injury;
- 3) Whether the property sought to be acquired was necessary for the project; and
- 4) Whether the offer required by Section 7267.2(a) of the Government Code had been made to the owner or owners of record.

Ms. Burns went on to say that the purpose and objectives of the Agency's redevelopment were to eliminate the conditions of blight and to prevent the recurrence of blighting conditions within the Project Area. The Agency proposed to eliminate such conditions and prevent their recurrence by providing, pursuant to the Redevelopment Plan, for the planning, development, replanning,

redesign, clearance, redevelopment, reconstruction and rehabilitation of the Project Area and by providing for such structures and spaces as may be appropriate or necessary in the interest of the general welfare, including without limitation, recreational and other facilities incidental or appurtenant to them. The Agency further proposed to eliminate the conditions of blight still existing in the Project Area and prevent their recurrence by providing for the alteration, improvement, modernization, reconstruction or rehabilitation of existing structures in the Project Area and by providing for open space types of uses, public and private buildings, structures, facilities, improvements, acquisition, construction or rehabilitation of housing for low and moderate income families, including without limitation seniors and handicapped persons.

She confirmed that the Redevelopment Plan stated that the Agency may purchase, lease, obtain option upon or otherwise acquire any interest in real property by any means authorized by law, including the use of eminent domain for the purpose of redevelopment. She noted that the subject property had a land area of approximately 29,106 square feet with a teardown single-family residence, which was uninhabitable and in a state of great disrepair. An independent appraiser was hired to determine the fair market value of the property and the Agency offered the full appraisal value of \$124,000 to the property owner.

The public interest and necessity required the property for the rehabilitation of the Project Area and the taking of the property was planned and located in a manner consistent with the greatest public good and least private injury and necessary to further the Agency's goals and objectives, specifically to provide decent, safe and sanitary housing for persons of low income.

She then stated that if the resolution was adopted, a Complaint for eminent domain would be filed in the Superior Court to seek an order for immediate possession. The Court could order possession within 3-30 days because the property was unencumbered. The Complaint would be served on the record owner of the property as well as any interest holders, and the matter would proceed through court to judgment, at which point title would pass to the Agency.

No other public testimony was offered and the public hearing was closed.

**Motion by Hansberger, seconded by Christman and unanimously carried to adopt CRA Bill #R-2004-01.**

**Resolution No. 214**

A Resolution of the Loma Linda Redevelopment Agency authorizing and directing the acquisition, by eminent domain, of certain real property located in the County of San Bernardino, State of California and declaring the public necessity therefor

**General**

**CRA-2004-004 – Minutes of January 13**

**Motion by Petersen, seconded by Hansberger and unanimously carried to approve the Minutes of January 13 as presented.**

**CRA-2004-005 – CRA Bill #R-2004-02 – Authorizing the purchase of 10846-10848 Poplar Street (AP#0283-121-16) in the North Central neighborhood**

**Motion by Hansberger, seconded by Petersen and unanimously carried to adopt CRA Bill #R-2004-02.**

**Resolution No. 215**

A Resolution of the Loma Linda Redevelopment Agency approving and authorizing the execution of an agreement for the acquisition of property from Don and Dorothy Campbell, husband and wife as joint tenants (10846-48 Poplar Street)

The meeting adjourned at 7:37 p.m.

Approved at the meeting of

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Secretary

City of Loma Linda

Redevelopment Agency Minutes

Regular Meeting of February 10, 2004

A regular meeting of the Loma Linda Redevelopment Agency was called to order by Chairman Ziprick at 7:10 p.m., Tuesday, February 10, 2004, in the City Council Chamber, 25541 Barton Road, Loma Linda, California.

Councilmen Present:	Chairman Robert Ziprick Vice-Chairman Stan Brauer Robert H. Christman Floyd Petersen Karen Hansberger
Councilman Absent:	None
Others Present:	Executive Director Dennis Halloway General Counsel Richard E. Holdaway

No items were added or deleted, nor were any public participation comments offered upon invitation of the Chair.

**Scheduled Items**

CC-2004-016

**CRA-2004-006 – Joint meeting of the City Council and Redevelopment Agency pertaining to the 2002-2003 Fiscal Year Audit Report**

Finance Director DeAnda stated that the report included the City's first Comprehensive Annual Financial Report, which was GASB 34 compliant. John Herrera of John Herrera & Associates assisted in the compilation of the CAFR document and was present to address that portion of the document. Following John Herrera's presentation, Don Parker of Lance, Soll & Lunghard, the City's auditing firm, would present the audit portion of the document.

Mr. Herrera addressed the City Council and Agency Board, stating that:

1. The report was prepared under the GASB 34 format.
2. The CAFR was considerably different from the General Purpose Financial Statements received previously as part of the audit report, in that it provided more insight into the City's financial performance, trends, results of operations, and the financial position of the City at year-end.
3. The CAFR was a three-part financial report made up of introductory, financial, and statistical sections.
4. The CAFR provided two sets of financial statements: Government Wide Financial Statements, which were similar to consolidated financial statements of a corporation, and the Fund Financial Statements, which were the traditional financial statements.
5. The Government Wide Financial Statements provided full accrual accounting like the private sector.
6. Depreciation was now recorded for all City buildings, infrastructure, and capital assets.
7. The Introductory Section provided background and information regarding the CAFR.
8. The Financial Section included the independent audit report and a management discussion analysis similar to private sector corporate financial statements.
9. The City and Redevelopment Agency Financial Statements were combined.
10. The Fund Financial Statements continued to be provided.
11. The Financial Statement showed the adopted budget and what was actually spent, and also the final budget versus what was actually spent.
12. The Statistical Section provided trend data, tables, and other information showing the trend of the City's finances.

He added that the CAFR ending June 30, 2004, in his opinion, would meet requirements for an award by GFOA and CSMFO. In addition, the GFOA stated that the CAFR was an appropriate document to satisfy the continued disclosure requirements of SEC ruling 15212.

Don Parker of Lance, Soll & Lunghard addressed the City Council and Agency Board regarding the independent audit. He stated that the City obtained an unqualified opinion on its financial statements, meaning that those statements fairly represented the results of operations and the position of the funds in accordance with generally accepted accounting principles. There were no reportable conditions or situations of weakness in internal control that would not allow the system to protect or safeguard assets.

He explained that GASB 34 stood for Governmental Accounting Standards Board Rule 34, which was a major change in financial reporting for governmental agencies and was an update in the reporting model adopted in 1979. Rule 34 was approximately 10 years in drafting and developing by the Governmental Accounting Standards Board. It provided generally accepted accounting principles for financial reporting for all governmental entities, and also required that all component units of the City, such as the Redevelopment Agency and Financing Authority be combined in one report.

He stated that the City had not fully implemented recordation of its entire infrastructure; that GASB 34 allowed the City four years to convert and record the entire infrastructure within the City: streets, sidewalks, bridges, storm drains, etc.

Mr. Parker compared the General Fund, which accounts for everything that was not restricted by another fund, for the last three years, comparing cash, assets, liability, revenue, expenditures, and equity. He noted that cash increased as well as assets and equity. Revenues increased over expenditures; therefore equity rose.

Because of GASB 34 requirements, the figures for the Redevelopment Agency for 2002-2003 were not comparable to previous years, in that there were major changes in assets and liabilities caused by the GASB 34 re-statements. The 2003-2004 audit would provide information for comparison to 2002-2003. The net difference in assets and liabilities were primarily due to the bonding that occurred, which also changed the revenue and expenses dramatically. Cash increased due to unspent bond proceeds. Revenue still exceeded expenditures. Equity was reduced due to GASB 34.

Councilman Christman stated that as a member of the Audit Committee, he met with Mr. Parker, City Manager Halloway, and Finance Director DeAnda, and was very pleased with the presentation. He commended Staff for the clean audit opinion and management letter. Councilman Brauer thanked Staff and the Budget Committee for their efforts.

**Motion by Christman, seconded by Ziprick and unanimously carried to accept the audit opinions for both the Redevelopment Agency and the City.**

The Agency Board recessed at 7:35 p.m. to allow completion of the City Council Agenda, and reconvened at 7:47 p.m. with all members present.

#### **General**

**CRA-2004-007 – CRA Bill #R-2004-03 – Authorizing the purchase of 10861 Poplar Street (AP#0283-141-15) in the North Central Neighborhood**

**Motion by Hansberger, seconded by Brauer and unanimously carried to adopt CRA Bill #R-2004-03.**

#### **Resolution No. 216**

A Resolution of the Loma Linda Redevelopment Agency approving and authorizing the execution of an agreement for the acquisition of property from James B. Church and Donna Church

**CRA-2004-008 – CRA Bill #R-2004-04 – Authorizing the purchase of 25546 Portola Loop in the North Central Neighborhood (AP#0283-271-28)**

**Motion by Hansberger, seconded by Brauer and unanimously carried to adopt CRA Bill #R-2004-04.**

#### **Resolution No. 217**

A Resolution of the Loma Linda Redevelopment Agency approving and authorizing the execution of an agreement for the acquisition of property from Michael Thomas Dixon

The meeting adjourned at 7:48 p.m.

Approved at the meeting of

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Secretary